

HB 58 Testimony

HB 58 – An Act Designating the Peoples Creek Minimum Flow Minimum Flow Account within the Fort Belknap Water Rights Compact as a State Special Revenue Account

The Fort Belknap-Montana Water Rights Compact was ratified by the 2001 Legislature (85-20-1001, MCA)

The Fort Belknap compact established an account called the Peoples Creek minimum flow account. This account is to be used to fund efficiency improvements and bypass structures for irrigation upstream of the Fort Belknap Reservation and for a reservoir on the Reservation for the purpose of improving minimum instream flow on Peoples Creek. (85-20-1007, MCA).

The 2009 Legislature approved \$1 million for the Peoples Creek minimum flow account, the first installment of the total \$5 million commitment (HB 135-2009 session).

The Peoples Creek minimum flow account is designated as a "private purpose trust account" at 85-20-1007, MCA.

DNRC has been informed by the Department of Administration that without a signed trust agreement this account cannot be considered as a private purpose trust account. The current language designating the account as a private purpose trust account creates a dichotomy between following the statute and complying with state accounting, as well as Generally Accepted Accounting Principles.

The recommended solution is to amend 85-20-1007, MCA to designate the account as "state special revenue".

Contact Information:

Mary Sexton, Director, DNRC
444-1948 or msexton@mt.gov

Bill Schultz, Program Manager, Reserved Water Rights Compact Commission
542-5880 or bischultz@mt.gov

Tricia Schiltz, Administrator, DNRC Centralized Services Division
444-6734 or pschiltz@mt.gov

1 HOUSE BILL NO. 58

2 INTRODUCED BY T. BELCOURT

3 BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT DESIGNATING THE PEOPLES CREEK MINIMUM FLOW ACCOUNT
6 WITHIN THE FORT BELKNAP-MONTANA COMPACT AS A STATE SPECIAL REVENUE ACCOUNT;
7 AMENDING SECTION 85-20-1007, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10
11 **Section 1.** Section 85-20-1007, MCA, is amended to read:

12 **"85-20-1007. Peoples Creek minimum flow account.** (1) ~~A private purpose trust~~ state special revenue
13 account, called the Peoples Creek minimum flow account, is established, as provided for in 17-2-102, for deposit
14 of funds and interest on funds ~~appropriated by the state~~ for efficiency improvements and bypass structures for
15 irrigation upstream from the Fort Belknap Reservation in the Peoples Creek Basin 40I and for a reservoir on the
16 Reservation for the purpose of improving minimum stream flow.

17 (2) On approval of a final decree pursuant to Article VII of the compact, the funds and interest on funds
18 in the Peoples Creek minimum flow account must be made available to the water users and the tribes to cover
19 the cost of construction of improvements as agreed to in the state and federal cost-share negotiations."

20
21 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

22 - END -